

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 12/9/2014	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959	
(4) SUBJECT Submittal of a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Government Attorney's Union (BU04) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Government Attorney's Union (BU04) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.			
(6) FUNDING SOURCE(S) FC – 132 -- District Attorney	(7) CURRENT YEAR FINANCIAL IMPACT \$83,870.00	(8) ANNUAL FINANCIAL IMPACT \$74,882.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director
781-5959

DATE: 12/9/2014

SUBJECT: Submittal of a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Government Attorney's Union (BU04) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Government Attorney's Union (BU04) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.

DISCUSSION

The San Luis Obispo County Government Attorney's Union (SLOGAU), Bargaining Unit 04 (BU04), represents a total of 30 positions in the District Attorney's office. SLOGAU is the exclusive bargaining organization for the job classifications of Deputy District Attorney I, Deputy District Attorney II, Deputy District Attorney III, and Deputy District Attorney IV.

Since June 30, 2010, there has been no MOU between the County and SLOGAU. A resolution adopted by the Board of Supervisors completing impasse between the County and the SLOGAU imposed terms and conditions of employment for FY 2010-11. Because no MOU has existed for an extended time, substantial new language was incorporated into this new MOU to include descriptions of previously established benefits and current terms and conditions of employment for SLOGAU members.

On March 15, 2013, the parties entered into negotiations for a successor Memorandum of Understanding (MOU) and changes to terms and conditions of employment. After seven (7) negotiation sessions, the parties were able to reach a tentative agreement for a new MOU on June 27, 2014. The County was notified on October 30, 2014 of the ratification of the tentative agreement by SLOGAU membership. A summary of the major elements are as follows:

Term:

- The SLOGAU MOU is effective July 1, 2013 to June 30, 2015.

Wages:

- A 0.7% wage increase for all unit members (BU04) retroactive to the pay period including January 1, 2014.
- No additional general salary increase for unit members through the term of the MOU, June 30, 2015.

Pension Provisions:

- The pension contribution rate for the SLOGAU bargaining unit Tier 1 and Tier 2 members¹ shall increase by

¹ SLOGAU currently has a pending court challenge to the County's ability to increase employee pension contributions. The language in the MOU references the court challenge and preserves the SLOGAU's position. The MOU language also includes a provision where the County reserves all rights to respond to any challenges from SLOGAU on this matter.

0.48% which represents a 50/50 cost sharing which is retroactive to the pay period that includes January 1, 2014. The County's appropriation rate has also increased by 0.49%.

- The increase in pension costs commencing the pay period including January 1, 2014 for Tier 1 and Tier 2 members shall not apply to Tier 3 members.
- Appendix A Tier 1 – Miscellaneous Members Contribution Rates and Appendix A Tier 2 – Miscellaneous Members Contribution Rates reflect the new County appropriation rate and the new Tier 1 and Tier 2 member contributions rates.

Cafeteria Contribution:

- Effective the pay period including July 1, 2014 the County's Cafeteria allowance shall increase by \$50 per month.

"Opt Out" Provisions – Cafeteria:

- Employees Not Enrolled in a County Sponsored Medical Plan: SLOGAU members who elect to "opt out" of a County-sponsored medical plan on or after January 1, 2015, will no longer receive the cafeteria cash out option. These opt out provisions are the same as those for all unrepresented employees.

Market Wage Study:

- The parties agree to conduct a compensation study and attempt to agree upon:
 - Comparable employers
 - Components of total compensation
 - How to value a particular component of total compensation that will be measured
 - The parties' respective proposal regarding the above factors shall be exchanged on or before March 1, 2015.

Other Benefits:

- A new article added to the MOU identifies other benefits that employees in the SLOGAU bargaining unit (BU04) have historically received. Those benefits remain unchanged with the following exceptions:
 - Includes a provision that the County shall reimburse unit members for the cost of Bar Dues (State and local). Previously, this was reimbursed through the Education Allowance.
 - Allows individual employees to waive receipt of the current \$851.78 Education Allowance for FY2014-15 in return for a department-purchased tablet computer to be used by the employee. The education allowance shall be reinstated in FY 2015-16.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the Administrative Office, County Counsel, Auditor-Controller and the Pension Trust participated in the development of the MOU and Pension Trust contribution rate sheets. County Counsel has reviewed and approved the Resolution and MOU for legal form and effect. The Auditor's Office and Human Resources staff will process the system changes needed to implement these agreements.

FINANCIAL CONSIDERATIONS

Wage Increases:

The 0.7% wage increase, retroactive to the pay period including January 1, 2014, will increase the County's costs by approximately \$18,614 from January 2014 through June 2014. For FY 2014-15 the 0.7% wage increase will increase the County's costs by approximately \$37,229.

Pension Rate Increases:

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust") as a measure of the funding status of the Trust. Based on the 2012 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. This rate increase was effective the pay period that includes January 1, 2014. Based on this implementation date, the total rate increase for all SLOGAU employees ("miscellaneous members") was 0.97%. Since January 1, 2014 the County has been paying the full 0.97% increase, the annual cost of which is \$38,904. As agreed to by the parties, the SLOGAU will share equally in the cost of the increase and pay 0.48%, retroactive to January 1, 2014. This will decrease the County's costs by \$9,626 for the period of January 2014 through June 2014, and

on-going by \$19,251 annually.

Cafeteria Increases:

Approval of a Cafeteria allowance increase of \$50 per month (\$600 per year) to all SLOGAU employees retroactive to the pay period including July 1, 2014, total annual County costs will increase by approximately \$18,000.

Total County costs for FY2014-15 for wage, cafeteria, and pension increases, including retroactive increases, are approximately \$83,870. The County's annual ongoing costs are approximately \$74,882. Departmental savings will be the primary source of funding for these changes. To the extent that departmental savings are not available to cover the amount, staff will recommend that your Board authorize a transfer of the deficient amount out of General Fund Contingencies and/or reserves to the departmental operating budget, as needed, as part of the third quarter report. The third quarter is when many such year-end adjustments are made.

RESULTS

Approval of this Resolution establishes a new two (2) year MOU effective July 1, 2013 through June 30, 2015. The terms and conditions outlined in the MOU are consistent with the Board's direction to stabilize the County's overall budget and share in pension rate increases. Approval of this Resolution follows the County's budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and contributes to a results-oriented, well-governed community.

ATTACHMENTS

1. Resolution - SLOGAU
2. Attachment A - SLOGAU MOU
3. Appendix A Tier 1 - Miscellaneous Members Contribution Rates
4. Appendix A Tier 2 - Miscellaneous Members Contribution Rates